GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5313
ANSWERED ON:22.12.2000
NON - OFFICIAL AND NOMINEE DIRECTORS OF BANKS
PUSHPDAN SHAMBHUDAN GADHAVI

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have recently removed some non-officials and nominee directors from Nationalised Bank Boards and Financial Institutions;

(b) if so, the number of such nominee directors removed alongwith their period of overstay in their respective Banks and financial institutions, bank-wise and financial institutions-wise;

(c) the guidelines/procedure adopted for appointment of non-official and nominee directors and regional nominee directors of Bank Boards; and

(d) the action plan prepared by the Government to appoint Experienced Professionalswith high integrity as nominee directors nf Bank Boards?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970/1980was amended on 20th January, 2000 whereby the provision for automatic continuance as director even after the expiry of the term of the director pending appointment of successor, was deleted. Consequently, all the parttime non official directors and nominated directors of the nationalised banks nominated during 1995-96 who had completed their 3 years tenure and were continuing pending appointment of their successors, ceased to be directors from that date.

(b) As a result of this, 113 number of directors ceased to be directors on the board of nationalised banks.

(c) Appointment of non official directors on the boards of the nationalised banks and financial institutions are made in accordance with the provisions and criteria as contained in the relevant statutes. The names of persons are finalised from the data bank available in the Banking Division and references received from Reserve Bank of India, banks and financial institutions.

(d) Action has been initiated to fill up the vacancies of non official directors and other nominee directors on the boards of banks and financial institutions.